

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

F

W-02838A

FRANCESCA WATER CO., INC. 5 PO BOX 17991

PO BOX 17991

TUCSON AZ 85731-7991

address change

ANNUAL REPORT

RECEIVED

APR 07 2005

FOR YEAR ENDING AZ Corporation Commission
Director Of Utilities

12	31	2004
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FOR COMMISSION USE

ANN04	04
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COMPANY INFORMATION

Company Name (Business Name) Francesca Water Co Inc.

Mailing Address PO BOX 17991
(Street)
TUCSON AZ 85731-7991
(City) (State) (Zip)

520 623 5172 520 822 5214 580 405 1559
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address DatsIf@aol.com

Local Office Mailing Address _____
(Street)

(City) (State) (Zip)

Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: Southwestern Utility management
(Name) (Title)

2102 N. Forbes Blvd. #107 TUCSON AZ 85745
(Street) (City) (State) (Zip)

520 623 5172 520 792 0377 _____
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address SWUMGT@aol.com

On Site Manager: Same as ABOVE
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: David Thomson
 (Name)

11834 S. Brandywine Ln Tucson AZ 85736
 (Street) (City) (State) (Zip)

520 822 9532 520 822 5214 520 405 1559
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: Brown & Bain Attornies AT LAW
 (Name)

One South Church, 19th floor Tucson AZ 85702
 (Street) (City) (State) (Zip)

520 798-7900 520 798-7945
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input checked="" type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME Francesca Water Co Inc.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	1,015	0	1,015
302	Franchises	0	0	0
303	Land and Land Rights	10,000	0	10,000
304	Structures and Improvements	—		
307	Wells and Springs	38,669	27,576	11,093
311	Pumping Equipment	12,600 3,800	1425	2375.00
320	Water Treatment Equipment	—		
330	Distribution Reservoirs and Standpipes	11,702 59,640	9528 8946	2174 50,694
331	Transmission and Distribution Mains	75,034	55,489	19,545
333	Services	26,192	11,568	14,624
334	Meters and Meter Installations	8,929	5250	3679
335	Hydrants	—		
336	Backflow Prevention Devices	—		
339	Other Plant and Misc. Equipment	—		
340	Office Furniture and Equipment	4,341	2015.62	2325.38
341	Transportation Equipment	3,800	4370.	—
343	Tools, Shop and Garage Equipment	3,000	1200.	1800
344	Laboratory Equipment	—		
345	Power Operated Equipment	3,400	2040.	1360
346	Communication Equipment	500	325	175
347	Miscellaneous Equipment	—		
348	Other Tangible Plant	0		
	TOTALS	262,622.	129732.62	120859.38

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME Francesca Water Co Inc.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	1,015	—	—
302	Franchises	0		
303	Land and Land Rights	10,000	—	—
304	Structures and Improvements	0		
307	Wells and Springs	38,669	3.33%	1,288
311	Pumping Equipment	12,600 3,800	12.5%	1,575 475
320	Water Treatment Equipment	—		
330	Distribution Reservoirs and Standpipes	11,702 59,640	5%	585. 2982
331	Transmission and Distribution Mains	75,034	2%	1501
333	Services	26,192	3.33%	872
334	Meters and Meter Installations	8,929	8.33%	744
335	Hydrants	—	—	—
336	Backflow Prevention Devices	—	—	—
339	Other Plant and Misc. Equipment	—	—	—
340	Office Furniture and Equipment	4,341	6.67%	289.54
341	Transportation Equipment	3,800	20%	760
343	Tools, Shop and Garage Equipment	3,000	5%	150
344	Laboratory Equipment	—	—	—
345	Power Operated Equipment	3,400	20%	680
346	Communication Equipment	500	10%	50
347	Miscellaneous Equipment	—	—	—
348	Other Tangible Plant	—	—	—
	TOTALS	262,622		11951.54

This amount goes on the Comparative Statement of Income and Expense
Acct. No. 403.

COMPANY NAME Francesca Water Co., Inc.

BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 2474.58	\$ 1473.65
134	Working Funds	0	0
135	Temporary Cash Investments	11644.12	11650.62
141	Customer Accounts Receivable	2687.30	4726.71
146	Notes/Receivables from Associated Companies	0	0
151	Plant Material and Supplies	1100.00	1250.00
162	Prepayments	0	0
174	Miscellaneous Current and Accrued Assets	0	0
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 7906.00	\$ 14100.98
	FIXED ASSETS		
101	Utility Plant in Service	\$ 302,922.00	\$ 302,922.00
103	Property Held for Future Use	0	0
105	Construction Work in Progress	0	0
108	Accumulated Depreciation – Utility Plant	132,770.08	129732.62
121	Non-Utility Property	0	0
122	Accumulated Depreciation – Non Utility	0	0
	TOTAL FIXED ASSETS	\$ 435692.08	\$ 432654.62
	TOTAL ASSETS	\$ 443598.08	\$ 446755.60

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME Francesca Water Co, Inc

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$ 3522.74	\$ 284.68
232	Notes Payable (Current Portion)	0	0
234	Notes/Accounts Payable to Associated Companies	0	0
235	Customer Deposits	825.00	1800.00
236	Accrued Taxes	45.00	45.00
237	Accrued Interest	365.00	55.89
241	Miscellaneous Current and Accrued Liabilities	0	0
	TOTAL CURRENT LIABILITIES	\$ 4757.74	\$ 2185.57
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 117,356.98	\$ 109,936.10
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$ 0	\$ 0
252	Advances in Aid of Construction	0	0
255	Accumulated Deferred Investment Tax Credits	0	0
271	Contributions in Aid of Construction	0	0
272	Less: Amortization of Contributions	0	0
281	Accumulated Deferred Income Tax	0	0
	TOTAL DEFERRED CREDITS	\$ 0	\$ 0
	TOTAL LIABILITIES	\$ 122,114.72	\$ 112,121.67
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 100	\$ 100
211	Paid in Capital in Excess of Par Value	0	0
215	Retained Earnings	0	0
218	Proprietary Capital (Sole Props and Partnerships)	0	0
	TOTAL CAPITAL	\$ 100	\$ 100
	TOTAL LIABILITIES AND CAPITAL	\$ 122,214.72	\$ 112,221.67

COMPANY NAME Francesca Water Co Inc**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 48,957.72	\$ 51,992.19
460	Unmetered Water Revenue	—	—
474	Other Water Revenues	430.88	2317.48
	TOTAL REVENUES	\$ 49,388.60	\$ 54,309.67
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 5,200.00	\$ 5,200.00
610	Purchased Water	—	—
615	Purchased Power	6670.00	6780.00
618	Chemicals	675.00	58.57
620	Repairs and Maintenance	1175.59	1709.86
621	Office Supplies and Expense	4366.37	2572.34
630	Outside Services	1603.60	12580.83
635	Water Testing	720.00	1270.00
641	Rents	948.00	948.00
650	Transportation Expenses	1573.95	2487.29
657	Insurance – General Liability	2049.00	1063.00
659	Insurance - Health and Life	0	0
666	Regulatory Commission Expense – Rate Case	0	0
675	Miscellaneous Expense	3692.75	1888.06
403	Depreciation Expense	11,951.54	11,951.54
408	Taxes Other Than Income	0	0
408.11	Property Taxes	2743.87	3258.08
409	Income Tax	45.00	45.00
	TOTAL OPERATING EXPENSES	\$ 43,414.64	\$ 51,812.57
	OPERATING INCOME/(LOSS)	\$ 5,973.96	\$ 2,497.10
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 0	\$ 0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility Expenses	0	0
427	Interest Expense	3652.34	86.80
	TOTAL OTHER INCOME/(EXPENSE)	\$ 3652.34	\$ 86.80
	NET INCOME/(LOSS)	\$ 2,321.62	\$ 2,410.30

COMPANY NAME Francesca Water Co Inc.

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	8/24/01	8/24/01		
Source of Loan	WIFA	WIFA		
ACC Decision No.	W-02838A	W-02838A		
Reason for Loan				
Dollar Amount Issued	\$44,308.48	\$ 97,000	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity	7/1/17	8/1/21		
Interest Rate	7.75 %	5.075 %	%	%
Current Year Interest	\$2051.81	\$4569.57	\$	\$
Current Year Principle	\$7426.73	\$3278.34	\$	\$

Meter Deposit Balance at Test Year End

\$ 1,365.00

Meter Deposits Refunded During the Test Year

\$ 0

COMPANY NAME Francesca Water Co Inc.

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-508617	10hp	24-55	550'	8"	2	1984
55-535748	10hp	24-55	805'	10-8-7	2	1992

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
5	3		
7.5	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
40,000	1	3,000	1
25,000	1	2,000	1

COMPANY NAME Francesca Water Co, Inc

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	3067
3	PVC	329
4	PVC	6796
5	—	
6	PVC	4487
8	—	
10	—	
12	—	

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	120
3/4	
1	2
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	
	122

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

[This section is crossed out with a diagonal line.]

STRUCTURES:

OTHER:

COMPANY NAME: Francesca Water Co., Inc.

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004

Talaway

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	72	343,200	362
FEBRUARY	67	348,610	362
MARCH	67	492,700	514
APRIL	67	549,810	575
MAY	70	691,131	717
JUNE	69	738,949	765
JULY	69	833,970	874
AUGUST	69	652,230	670
SEPTEMBER	69	684,390	718
OCTOBER	67	516,260	542
NOVEMBER	69	404,070	424
DECEMBER	69	354,400	385
TOTAL		N/A	6,908

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes

(~~X~~) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes

(~~X~~) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. 0.0063 mg/l

(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Francesca Water Co., Inc.

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004

Amber Ann

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	32	136,100	182
FEBRUARY	37	182,450	183
MARCH	37	234,160	237
APRIL	37	242,880	243
MAY	36	274,080	308
JUNE	36	294,700	322
JULY	37	275,970	353
AUGUST	37	235,880	245
SEPTEMBER	34	272,110	297
OCTOBER	33	230,770	242
NOVEMBER	33	200,610	231
DECEMBER	33	150,080	156
TOTAL		N/A	2,999

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes

☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes

☒ No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. 0.0059 mg/l

(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Francesca Water Co Inc. YEAR ENDING 12/31/2004

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2004 was: \$ 3258.08

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

COMPANY NAME Francesca Water Co Inc YEAR ENDING 12/31/2004

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported 0
Estimated or Actual Federal Tax Liability 0

State Taxable Income Reported 0
Estimated or Actual State Tax Liability 0

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances 0
Amount of Gross-Up Tax Collected 0
Total Grossed-Up Contributions/Advances 0

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

David A. Thomson Jr.
SIGNATURE

April 4, 2005
DATE

David A. Thomson JR.
PRINTED NAME

President
TITLE

RECEIVED

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

APR 07 2005

AZ Corporation Commission
Director Of Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
<u>PIMA</u>
NAME (OWNER OR OFFICIAL) TITLE
<u>Gradi L. Thomson, Secretary</u>
COMPANY NAME
<u>Francesca Water Co., Inc</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

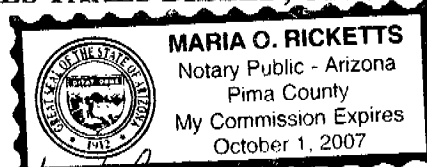
IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2004 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 57421.45

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 3111.78
IN SALES TAXES BILLED, OR COLLECTED)

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)



Gradi L. Thomson
SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 6th DAY OF

(SEAL)

MY COMMISSION EXPIRES 10-1-2007

COUNTY NAME
<u>Pima</u>
MONTH
<u>April</u>
2005

Maria O. Ricketts
SIGNATURE OF NOTARY PUBLIC

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY

RECEIVED

APR 07 2005

VERIFICATION

AZ Corporation Commission
Director Of Utilities

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OR COUNTY NAME <i>PIMA</i>	
NAME (OWNER OR OFFICIAL) <i>Gradi L. Thomson</i>	TITLE <i>Secretary</i>
COMPANY NAME <i>Francesca Water Co Inc.</i>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2004 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 56448.35

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 3050.38
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

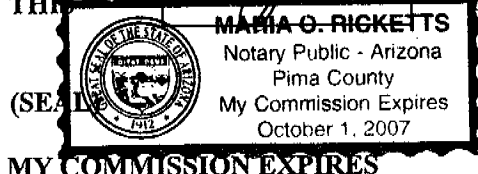
Gradi L. Thomson
SIGNATURE OF OWNER OR OFFICIAL

520 405 1559
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 6th DAY OF



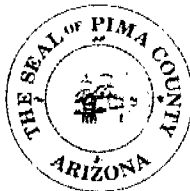
MY COMMISSION EXPIRES

10-1-2007

NOTARY PUBLIC NAME <i>Maria O. Ricketts</i>	
COUNTY NAME <i>PIMA</i>	
MONTH <i>April</i>	YEAR <i>2005</i>

x *Maria O. Ricketts*
SIGNATURE OF NOTARY PUBLIC

Beth Ford
Pima County Treasurer



Patti Davidson
Chief Deputy Treasurer

PIMA COUNTY TREASURER'S OFFICE

PIMA COUNTY TAX RECEIPT

FRANCESCA WATER CO INC
ATTN: DAVID A THOMSON JR/PRESIDENT
PO BOX 17991
TUCSON AZ 85731-7991

THIS IS YOUR RECEIPT FOR PAYMENT(S) OF 2004 REAL ESTATE TAXES

BOOK	MAP	PARCEL	TOTAL TAX ASSESSED	DATE
902	05	1010	\$ 3,260.44	10/6/2004

PAYMENTS

PAYMENT DATE	DESCRIPTION	TAX PAID	INTEREST PAID	FEES PAID	TOTAL
09/22/2004	FIRST HALF	\$1,630.22	\$0.00	\$0.00	\$1,630.22
	TOTAL PAID	\$1,630.22	\$0.00	\$0.00	\$1,630.22

PROPERTY ADDRESS

TAX YEAR 2004 BALANCE DUE

DESCRIPTION	AMOUNT
FIRST HALF TAX DUE	\$0.00
SECOND HALF TAX DUE	\$1,630.22
NSF FEE DUE	\$0.00
RECLAIMED REFUND DUE	\$0.00
TOTAL AMOUNT DUE	\$1,630.22

ADDITIONAL INFORMATION

FIRST HALF TAXES ARE DUE 10/01/2004 AND DELINQUENT AFTER 11/01/2004. SECOND HALF TAXES ARE DUE 03/01/2005 AND DELINQUENT AFTER 05/02/2005. INTEREST CHARGES ACCRUE FOR PAYMENTS MADE AFTER DELINQUENCY DATES. FOR PAYMENT INFORMATION AFTER DELINQUENCY DATES, PLEASE CALL (520) 740-8341 OR VISIT WWW.TO.PIMA.GOV

Thank you for your payment!

BETH FORD
PIMA COUNTY TREASURER

115 North Church Avenue - Tucson, Arizona 85701-1199 - Phone (520) 740-8341 - Fax (520) 884-4809

Beth Ford
Pima County Treasurer



Patti Davidson
Chief Deputy Treasurer

PIMA COUNTY TREASURER'S OFFICE

PIMA COUNTY TAX RECEIPT

FRANCESCA WATER CO INC
DAVID A THOMSON JR/PRESIDENT
11834 S BRANDYWINE LANE
TUCSON AZ 85736

THIS IS YOUR RECEIPT FOR PAYMENT(S) OF 2004 REAL ESTATE TAXES

BOOK	MAP	PARCEL	TOTAL TAX ASSESSED	DATE
301	74	1360	\$ 20.86	10/6/2004

PAYMENTS

PAYMENT DATE	DESCRIPTION	TAX PAID	INTEREST PAID	FEES PAID	TOTAL
09/22/2004	FULL YEAR	\$20.86	\$0.00	\$0.00	\$20.86
	TOTAL PAID	\$20.86	\$0.00	\$0.00	\$20.86

PROPERTY ADDRESS

TAX YEAR 2004 BALANCE DUE

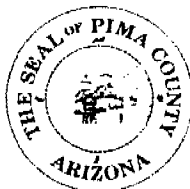
DESCRIPTION	AMOUNT
FIRST HALF TAX DUE	\$0.00
SECOND HALF TAX DUE	\$0.00
NSF FEE DUE	\$0.00
RECLAIMED REFUND DUE	\$0.00
TOTAL AMOUNT DUE	\$0.00

Thank you for your payment!

BETH FORD
PIMA COUNTY TREASURER

115 North Church Avenue - Tucson, Arizona 85701-1199 - Phone (520) 740-8341 - Fax (520) 884-4809

Beth Ford
Pima County Treasurer



Patti Davidson
Chief Deputy Treasurer

PIMA COUNTY TREASURER'S OFFICE

PIMA COUNTY TAX RECEIPT

FRANCESCA WATER CO INC
DAVID A THOMSON JR/PRESIDENT
11834 S BRANDYWINE LANE
TUCSON AZ 85736

THIS IS YOUR RECEIPT FOR PAYMENT(S) OF 2004 REAL ESTATE TAXES

BOOK	MAP	PARCEL	TOTAL TAX ASSESSED	DATE
301	19	077B	\$ 35.05	10/6/2004

PAYMENTS

PAYMENT DATE	DESCRIPTION	TAX PAID	INTEREST PAID	FEES PAID	TOTAL
09/22/2004	FULL YEAR	\$35.05	\$0.00	\$0.00	\$35.05
	TOTAL PAID	\$35.05	\$0.00	\$0.00	\$35.05

PROPERTY ADDRESS

TAX YEAR 2004 BALANCE DUE

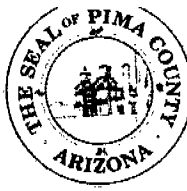
DESCRIPTION	AMOUNT
FIRST HALF TAX DUE	\$0.00
SECOND HALF TAX DUE	\$0.00
NSF FEE DUE	\$0.00
RECLAIMED REFUND DUE	\$0.00
TOTAL AMOUNT DUE	\$0.00

Thank you for your payment!

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PIMA COUNTY TAX RECEIPT

FRANCESCA WATER CO INC
DAVID A THOMSON JR/PRESIDENT
11834 S BRANDYWINE LANE
TUCSON AZ 85736

THIS IS YOUR RECEIPT FOR PAYMENT(S) OF 2003 REAL ESTATE TAXES

BOOK MAP PARCEL			TOTAL TAX ASSESSED	DATE
902	05	1010	\$ 3,143.90	4/5/2004
PAYMENTS				
PAYMENT DATE	DESCRIPTION	TAX PAID	INTEREST PAID	TOTAL
03/24/2004	SECOND HALF	\$1,571.95	\$0.00	\$1,571.95
	TOTAL PAID	\$1,571.95	\$0.00	\$1,571.95
FEES PAID				
				\$0.00

PROPERTY ADDRESS

TAX YEAR 2003 BALANCE DUE

DESCRIPTION	AMOUNT
FIRST HALF TAX DUE	\$0.00
SECOND HALF TAX DUE	\$0.00
NSF FEE DUE	\$0.00
RECLAIMED REFUND DUE	\$0.00
TOTAL AMOUNT DUE	\$0.00

Thank you for your payment!

BETH FORD
PIMA COUNTY TREASURER

115 North Church Avenue - Tucson, Arizona 85701-1199 - Phone (520) 740-8341 - Fax (520) 884-4809

A Check if:

- 1 Consolidated return (attach Form 951) ☐
 2 Personal holding co. (attach Sch. PH) ☐
 3 Personal service corp. (see instructions) ☐
 4 Schedule M-3 required (attach Sch. M-3) ☐

Use
IRS
label.
Other-
wise,
print
or type.

Name

FRANCESCA WATER COMPANY, INC.

Number, street, and room or suite no. If a P.O. box, see page 9 of instructions.

11834 S. BRANDYWINE LANE

City or town, state, and ZIP code

TUCSON, AZ 85736

D Employer identification number

86-0762910

C Date incorporated

05/13/1994

D Total assets (see page 8 of instr.)

\$ 96,169.

E Check if: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change

Income	1	Gross receipts or sales	63,705.	b Less returns and allowances		c Bal	1c	63,705.
	2	Cost of goods sold (Schedule A, line 8)					2	
	3	Gross profit. Subtract line 2 from line 1c					3	63,705.
	4	Dividends (Schedule C, line 19)					4	
	5	Interest	SEE STATEMENT 1				5	6.
	6	Gross rents					6	
	7	Gross royalties					7	
	8	Capital gain net income (attach Schedule D (Form 1120))					8	
	9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)					9	
	10	Other income (attach schedule)					10	
	11	Total income. Add lines 3 through 10					11	63,711.
Deductions	12	Compensation of officers (Schedule E, line 4)					12	
	13	Salaries and wages (less employment credits)					13	
	14	Repairs and maintenance					14	903.
	15	Bad debts					15	
	16	Rents					16	
	17	Taxes and licenses	SEE STATEMENT 2				17	6,645.
	18	Interest					18	16,198.
	19	Charitable contributions	SEE STATEMENT 3 AND SEE STATEMENT 4				19	0.
	20	Depreciation (attach Form 4562)		20	18,780.			
	21	Less depreciation claimed on Schedule A and elsewhere on return		21a			21b	18,780.
	22	Depletion					22	
23	Advertising					23		
24	Pension, profit-sharing, etc., plans					24		
25	Employee benefit programs					25		
26	Other deductions (attach schedule)	SEE STATEMENT 5				26	18,262.	
27	Total deductions. Add lines 12 through 26					27	60,788.	
28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11					28	2,923.	
29	Less: a Net operating loss deduction	STATEMENT 6	29a	2,923.		29c	2,923.	
	b Special deductions (Schedule C, line 20)		29b					
30	Taxable income. Subtract line 29c from line 28					30	0.	
31	Total tax (Schedule J, line 11)					31	0.	
Tax and Payments	32	Payments: a 2003 overpayment credited to 2004	32a					
		b 2004 estimated tax payments	32b					
		Less 2004 refund applied for on Form 4466	32c					
		e Tax deposited with Form 7004		32d				
		f Credit for tax paid on undistributed capital gains (attach Form 2439)		32e				
		g Credit for Federal tax on fuels (attach Form 4136). See instructions		32f				
				32g			32h	
	33	Estimated tax penalty (see page 17 of instructions). Check if Form 2220 is attached					33	
	34	Tax due. If line 32h is smaller than the total of lines 31 and 33, enter amount owed					34	0.
	35	Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid					35	
	36	Enter amount of line 35 you want: Credited to 2005 estimated tax Refunded					36	

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer

Date

Title

May the IRS discuss this return with the preparer shown below?

☒ Yes ☐ No

Paid Preparer's Use Only

Preparer's signature

Date

Check if self-employed ☐

Preparer's SSN or PTIN

P00213826

Firm's name (or yours if self-employed), address, and ZIP code

R & A CPAS A PROFESSIONAL CORPORATION
 4542 E. CAMP LOWELL STE. 100
 TUCSON, AZ 85712

EIN

86 0550947

Phone no.

520 881-4900

411601
12-22-04

JWA For Privacy/Paperwork Reduction Act Notice, see instructions.

1

Form 1120 (2004)

10400124 787047 2692

2004.03000 FRANCESCA WATER COMPANY, IN 2692 1

2	Purchases	2	
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	
6	Total. Add lines 1 through 5	6	
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	

9 a Check all methods used for valuing closing inventory:

(i) ☐ Cost as described in Regulations section 1.471-3

(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4

(iii) ☐ Other (Specify method used and attach explanation.) ►

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c) ► ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ► ☐

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO 9d

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? ☐ Yes ☐ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☐ No

If "Yes," attach explanation

Schedule E		Compensation of Officers			
(see instructions for page 1, line 12, on page 13 of instructions) Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.					
(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
1					
2 Total compensation of officers					
3 Compensation of officers claimed on Schedule A and elsewhere on return					
4 Subtract line 3 from line 2. Enter the result here and on page 1, line 12					

1 Cash		2,537.		
2a Trade notes and accounts receivable				
b Less allowance for bad debts	()	()		
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (att. sch.) STMT 8				4,442.
7 Loans to shareholders				
8 Mortgage and real estate loans				
9 Other investments (att. sch.)				
10a Buildings and other depreciable assets	207,473.		216,473.	
b Less accumulated depreciation	(134,089.)	73,384.	(152,870.)	63,603.
11a Depletable assets				
b Less accumulated depletion	()	()		
12 Land (net of any amortization)		20,000.		20,000.
13a Intangible assets (amortizable only)	1,015.		1,015.	
b Less accumulated amortization	(1,015.)	()	(1,015.)	
14 Other assets (att. sch.)				
15 Total assets		95,921.		96,169.
Liabilities and Shareholders' Equity				
16 Accounts payable		2,689.		285.
17 Mortgages, notes, bonds payable in less than 1 year				
18 Other current liabilities (att. sch.) STMT 9		878.		45.
19 Loans from shareholders				
20 Mortgages, notes, bonds payable in 1 year or more		109,285.		109,936.
21 Other liabilities (att. sch.)				
22 Capital stock: a Preferred stock				
b Common stock	100.	100.	100.	100.
23 Additional paid-in capital		35,112.		35,112.
24 Retained earnings - Appropriated (attach schedule)				
25 Retained earnings - Unappropriated		-52,143.		-49,309.
26 Adjustments to shareholders' equity (attach schedule)				
27 Less cost of treasury stock		()		()
28 Total liabilities and shareholders' equity		95,921.		96,169.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return (see page 24 of instructions)

1 Net income (loss) per books	2,834.	7 Income recorded on books this year not included on this return (itemize):	
2 Federal income tax per books		Tax-exempt interest \$	
3 Excess of capital losses over capital gains			
4 Income subject to tax not recorded on books this year (itemize):			
5 Expenses recorded on books this year not deducted on this return (itemize):		8 Deductions on this return not charged against book income this year (itemize):	
a Depreciation \$		a Depreciation \$	
b Charitable contributions \$ 40.		b Charitable contributions \$	
c Travel and entertainment \$ 49.			
	89.		
6 Add lines 1 through 5	2,923.	9 Add lines 7 and 8	
		10 Income (page 1, line 28) - line 6 less line 9	2,923.

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1 Balance at beginning of year	-52,143.	5 Distributions: a Cash	
2 Net income (loss) per books	2,834.	b Stock	
3 Other increases (itemize):		c Property	
		6 Other decreases (itemize):	
4 Add lines 1, 2, and 3	-49,309.	7 Add lines 5 and 6	
		8 Balance at end of year (line 4 less line 7)	-49,309.

411031
12-22-04 JWA

Form 1120 (2004)